

Targeted Marketing

in TVA's Green Power Switch® Program

Jim West
Tennessee Valley Authority



TVA Faced Three Challenges in Marketing Renewable Energy

Last year TVA faced three major challenges in marketing its renewable energy program, Green Power Switch:

- Growing the five-year-old program that had already secured “early adopters”
- In a region where environmental activism is not nearly as high as other areas
- Working within a limited budget



Targeting Likely Households Was Key

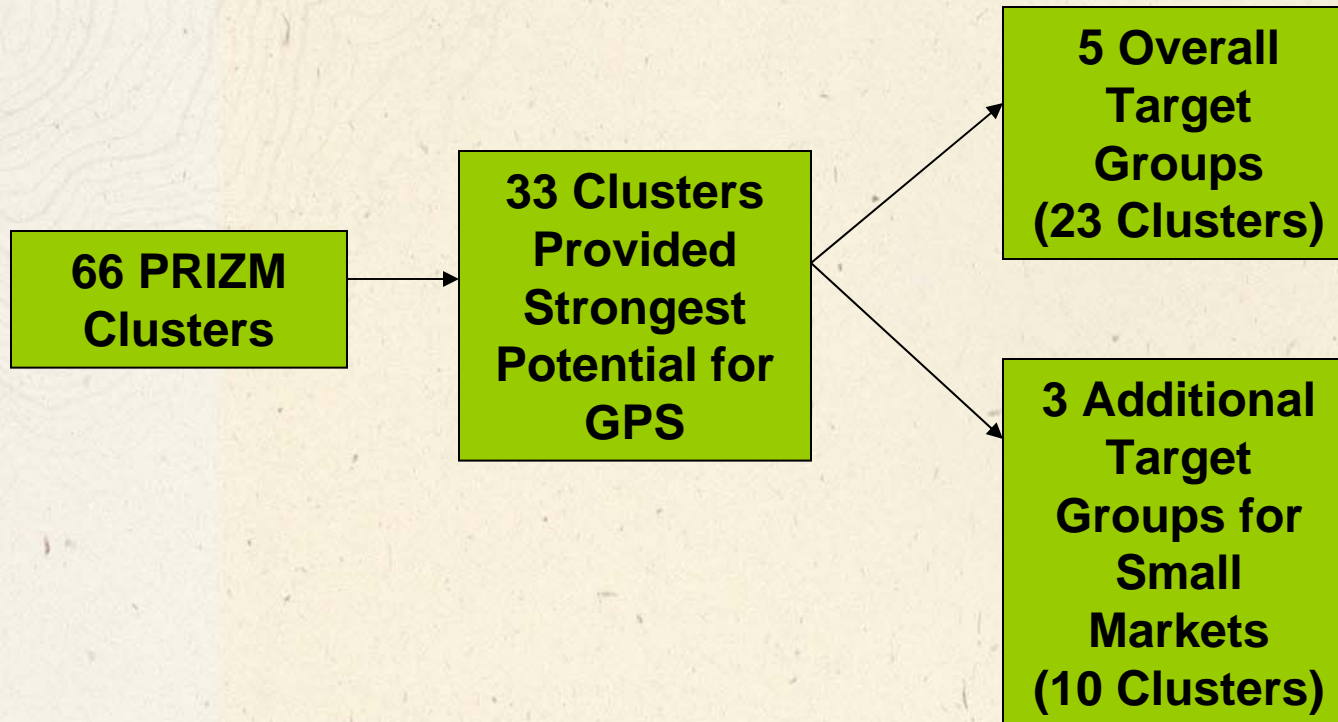
Since budget was limited, it was imperative to target households with the highest potential to sign up for Green Power Switch.

To do so TVA encoded its existing customer database using Claritas' PRIZM Lifestyle Segmentation System.

PRIZM identified the types and locations of households that were most likely to sign up, allowing us to plan media and marketing tactics to reach those households.



We Narrowed High-Potential PRIZM Clusters into Eight Groups



We created 5 “Overall Target Groups” composed of 23 clusters

- Advocates in the Spotlight
(clusters 1,2,5,6,9,10)
- Investors in the Future
(clusters 14,15,21,27,28)
- Self-Motivated Benefactors
(clusters 3,8,11,12)
- Concerned Contributors
(clusters 13,17,18,19,30)
- Today’s Environmentalists
(clusters 22,24,35)



We created 3 “Small Market Groups” composed of 10 clusters

Small Market Target Groups

- Practical Conservationists
(clusters 20,32,33,34)
- Middle America Beautifiers
(clusters 38,41,43)
- Green Acres Supporters
(clusters 23,25, 37)



Our High-Potential Targets Had Similarities

- Environmental concern
- Civic/community participation
- Relatively higher income
- More education
- Tend to read several magazines, daily newspapers
- Access internet daily
- Lighter, more selective, TV viewers
- Higher than average interest in news



The Groups Were Distinct In Several Ways

- Affluence, age, presence of children in the household
- Preferred radio formats/stations

	More Affluent Groups	Younger Groups
Age	Skews 35-64	Skews 25-44
Income	\$75,000+	\$50,000-\$100,000
Kids	Older or no children	Younger or Fewer children
Radio Use	NPR, Classical, Easy Listening, Oldies	NPR, Alternative



We Tailored Our Media To Reach More Affluent And Younger Groups

Radio

Newspaper

Direct Marketing



Radio

Radio advertising provided a marketing foundation.

Stations were chosen based on the listening habits of the high-potential household types identified via PRIZM.

Two different 60-second spots aired on commercial radio stations, and underwriting sponsorships aired on local NPR affiliates.



Newspaper



Newspaper advertisements ran in key markets throughout the campaign to reach a broad group of consumers.



Direct Marketing



- At the end of the radio & newspaper campaign
- Mailed to 185,000 households that fell within the high-potential demographic profiles
- Included a DVD, which took the message beyond a two-dimensional printed piece



Results Were Significant & Measurable

Effective target marketing can maximize the return on marketing investment for renewable energy programs.

Despite the difficult challenges, TVA's strategically planned and targeted marketing campaign generated a 26.6% increase in sales of Green Power Switch over a six-month period.

